

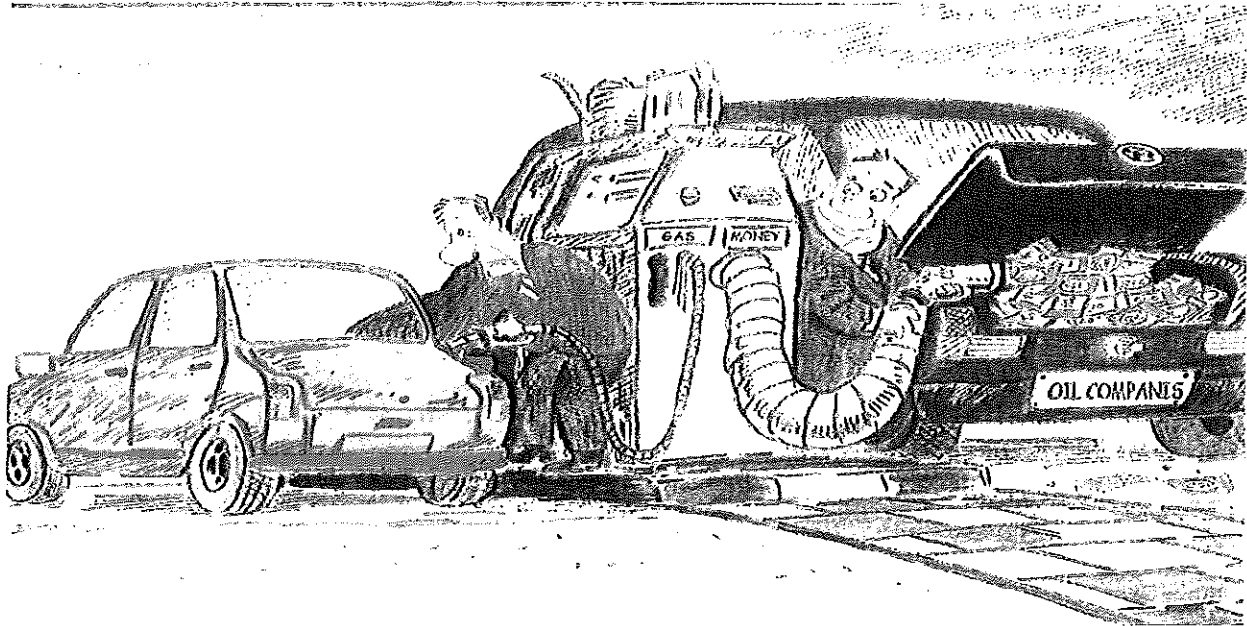


**GASOLINE & AUTOMOTIVE SERVICE  
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*Our Members are responsible for selling over 60%  
of gasoline sold annually in the State of Connecticut!*



**ENVIRONMENT COMMITTEE  
PUBLIC HEARING**

***Testimony on House Bill 6371 An Act Concerning Funding for  
the Department of Environmental Protection***

*By Michael J. Fox, Executive Director*

**February 18, 2009**

Good afternoon Senator Meyer and Representative Roy and members of the Environment Committee. My name is Michael Fox, the Executive Director of the Gasoline Retailers Association representing over 450 local service station owners who are responsible for pumping over 60% of all the gasoline sold in Connecticut.

We come before you today to oppose House Bill 6371 as written, specifically the fee increases for our members. HB-6371 as written will substantially increase many of the licensing fees that are members are required to pay. While some will look and suggest that 25% increases in fees are modest, we need to consider what has already happened to those business owners in the State since 2005 when Hurricane Katrina hit and retail gasoline prices escalated to over \$4.50 per gallon. While retail prices have dropped, the resulting loss of business of both gasoline sales, repair business and convenience stores sales all today remain off by some 40% to 50% of what they were prior to Katrina.

In addition, I would like to talk about funding the Ct. Underground Petroleum Tank cleanup fund of which I am and have been a volunteer member. All members of the board are volunteer's and received no payment for work performed by the board with the exception of State employees who are members and received full pay while attending board meetings. Non-paid board members are not asking for compensation, but the fact that the Gross Receipts Tax, which is the main funding mechanism for the Underground Tank Fund has been under attack for over 5-years now. Here is the frustrating part, not in the lean times that we now face, but in the past 5-years when times were good. Here is some very frustrating numbers regarding the fund. Since 1990, revenues generated

through collection of taxes by the state have generated \$2, 081, 560.00. B. The Underground Tank Fund, the intended purpose for the tax has received approximately \$204 million. Approximately \$483 million went to the Special Transportation Fund and the General Fund has received over \$1.6 billion dollars since 1990. Taxpayers and business owners are frustrated at paying taxes for one purpose, and when that tax revenue starts to exceeded the current needs, rather than saving some and reducing taxes in good times, we spend the revenue on a different program that has nothing to due with the original intent. This is exactly why we are in the dire economic conditions the states faces today. As written HB-6371 is just more of the same. Taxpayers and business owners can no longer afford this type of government waste.

Respectfully, we need a new fresh approach that reviews each program. Those programs that have merit should continue and business owners and taxpayers will grudgingly pay those taxes as long as it is on a cost effective basis. Our legislatures need to look at all the ways to create a more efficient and cost effective state government. In the case of the Underground Tank Fund, taxes have generated over \$2 Billions dollars, minimum state staff is used thereby reducing state cost and the rest of the board consists of industry and citizen volunteers. The problem as we see it, this program works, but taxes were increased and the fund was raider to support something other than the intended us of the tax to the tune of \$1.6 billion dollars. This creates mistrust in our state government and leads to waste and abuse in programs.

State of Ct

Petroleum Gross  
Receipts Tax  
(in millions)

		Transfer to	Transfer to	Transfer to	Net to
Fiscal	Gross	Underground	Emergency Spill	Special	General
<u>Year</u>	<u>Collections</u>	<u>Storage Tank Fund</u>	<u>Response Fund</u>	<u>Transporation Fund</u>	<u>Fund</u>
1990	39,766	(10,926)	\$ -	\$ -	28,840
1991	55,290	(4,074)	-	-	51,216
1992	72,803	0	-	-	72,803
1993	81,791	(13,500)	-	-	68,291
1994	75,438	0	-	-	75,438
1995	75,129	(18,100)	-	-	57,029
1996	76,377	(7,200)	-	-	69,177
1997	90,809	(10,447)	-	-	80,362
1998	80,948	(19,090)	-	-	61,858
1999	63,255	(21,085)	-	(20,000)	22,170
2000	103,340	(13,055)	-	(36,000)	54,285
2001	127,400	(11,000)	(6,000)	(46,000)	64,400
2002	94,250	(15,941)	(8,000)	(46,000)	24,309
2003	125,451	-	(8,000)	-	117,451
2004	139,894	(12,000)	(10,500)	(10,500)	106,894
2005	179,100	(12,000)	(10,500)	(13,000)	143,600
2006	279,519	(12,000)	(12,000)	(43,500)	212,019
2007	309,403	(12,000)	(12,000)	(141,000)	144,403
2008	367,783	(12,000)	-	(127,800)	227,983
	\$2,437,746	-\$204,418		-\$483,800	\$1,682,528